

STATE OF WASHINGTON

WASHINGTON STATE LIQUOR CONTROL BOARD

1025 E Union • PO Box 43075 • Olympia WA 98504-3075 • (360) 753-6262

BOARD SCHEDULES PUBLIC HEARINGS

April 1, 1996 3-391/mcm

RELEASE AT WILL

The Liquor Control Board will conduct a public hearing on April 24 to consider changes to three administrative rules. Two of the rule changes would allow wholesalers of beer and wine who service Island County to post additional prices for sales in that locale. WAC 314-20-100 and 314-24-190 would both be amended to allow the wholesalers to include the cost of ferry tolls and travel time for deliveries to the islands. State law requires wholesalers to post the prices they charge to retailers. They are required to charge the same posted prices to any retailers. The proposed changes would take into account the additional costs the wholesalers incur in servicing the remote locations of Island County that can only be reached by ferry or airplane.

The third rule to be considered for change relates to bonded wine warehouses. These are facilities where wine is stored by wineries prior to it being sold to wholesalers. The changes being proposed to WAC 314-24-220 originated within the membership of the Washington Wine Institute. The changes would allow both wine which is under federal bond and that which is tax paid to be stored in the warehouse providing it is kept separated.

In addition, the proposal would allow agents of wineries to pick up an aggregate maximum 2,000 cases per year and deliver them directly to retailers or holders of special occasion licenses. Small quantities (many averaging only two or three cases at a time) of wine had to be returned to the winery before they could be delivered to retailers. In the case of wineries in Eastern Washington, this requirement often meant a trip of several hundred miles.

The public hearings will be held at the Liquor Control Board's Olympia Headquarters. 1025 East Union in the fifth floor Board Room. The hearing will begin at 9:30 a.m. on Wednesday, April 24. The public may offer comments either in person at the hearing or by mail to WSLCB, Public Information Office, P.O. Box 43080, Olympia WA 98504-3080. Comments by mail must be received by April 23, 1996.

####WSLCB####

(NEWS EDITORS: Rule text and proposed changes is included for your background info.)

DEFENDANT'S EXHIBIT

NO. C04-0360P

EXHIBIT

525

Resp to Costco RFP 4498

TX525-001